

London. First Homes are considered to meet the Government's definition of 'affordable housing' for planning purposes.

The minimum discount for First Homes should help to make home ownership more affordable for a greater number of first-time buyers than other affordable housing products such as Discounted Market Sales (OMS) and shared ownership, which are both required to be sold at a minimum of just 20% below market value.

The high cost of homes in expensive areas such as Three Rivers means that OMS and shared ownership properties are likely to remain beyond the reach of many residents/prospective buyers with this level of market discount, however the price cap of £250,000 for a First Home will ensure that this tenure of home is likely to be a realistically affordable option for many potential first-time buyers in the District.

The discount for First Homes is also required to be applied in perpetuity each time a First Home is resold (subject to certain specific exclusions) and should ensure that the discounted cost built into this tenure is retained in the value of the property in perpetuity. This will be secured by means of a planning obligation in line with national guidance.

First Home Exception Sites

National planning guidance also makes provision for the development of First Homes 'exception sites' (on land which is not already allocated for housing) adjacent to existing settlements and proportionate in size to them. First Homes Exception Sites are not permitted within the Green Belt or in a designated rural area, where rural exception sites are the only type of exception sites that may be permissible. A small proportion of market housing or other types of affordable housing may be allowed at the local authority's discretion, for example where essential to enable the delivery of First Homes without grant funding.

To ensure applicants take account of the criteria under paragraph (5) (a) and (b) of the policy, where it is proposed that a scheme requires market housing to be included to make an exception site viable, a development appraisal will be required to be submitted to demonstrate that this is the case.

In considering the land value, the threshold land value of the site will be limited to no more than ten times the agricultural land value at the time of application submission. Where agreement cannot be reached, external consultants will be appointed at the applicant's cost to provide an independent assessment of the scheme's viability.

Paragraph (6) of the policy is in line with the PPG, which allows the proportion of affordable housing on a First Homes exception site to be altered to include small quantities of other affordable housing products. The evidence that applicants will be required to provide will need to be in the form of a Local Housing Needs Assessment, local authority Housing Register, or other sufficiently rigorous local evidence.